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Obstacles to consumption: Tariff and non-tariff measures and their impact on the coffee sector

Interim Report

Background

1. Within the framework of the International Coffee Agreement (ICA) 2007, particularly Article 24 – Removal of obstacles to trade and consumption, Members recognize the importance of the sustainable development of the coffee sector and of the removal of current obstacles and avoidance of new obstacles that may hinder trade and consumption. In this context, the Executive Director shall prepare periodically a survey of the obstacles to consumption to be reviewed by the Council.

2. In view of the growing impact of non-tariff measures, and based on the information received from Members as well as from specialized organizations, such as the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD), the ICO has expanded its reporting, which traditionally focused on taxes and tariffs related to imports, exports and internal trade, to include non-tariff measures[1] and specifically sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT).

3. This document contains updated information on such tariff and non-tariff measures affecting the coffee sector, i.e. imposed on green, roasted and soluble forms of coffee.

[1] *According to UNCTAD, non-tariff measures are generally defined as policy measures other than ordinary customs tariffs that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both (UNCTAD/DITC/TAB/2009/3).*

3. In accordance with Article 24 of the ICA 2007 and the Rules on Statistics – Statistical Reports (ICC-102-10), Members are required to notify the Organization of any changes to taxes and duties on coffee. Information on changes in non-tariff barriers, especially SPS and TBTs, are regularly reported to the WTO and will be integrated in ICO reports.

Action

The Council is requested to consider this document and to call upon Members to report to the Secretariat any changes in tariff and non-tariff measures.

OBSTACLES TO CONSUMPTION: TARIFF AND NON-TARIFF MEASURES AND THEIR IMPACT ON THE COFFEE SECTOR

INTERIM REPORT

1. Tariff and non-tariff measures affecting production, trade and consumption of coffee are set up and enforced in all ICO Members as well as in non-member countries. Exporting and importing countries have various forms of measures that affect coffee to different degrees. This report is an update of document ICC-120-8, circulated in September 2017, which presented the situation of tariff measures in both exporting and importing countries, and has now been expanded to include sanitary and phytosanitary measures and technical standards and regulations related to coffee production, trade and consumption as well as other policy measures. Upon receipt of updates by ICO Members, the final report is scheduled to be presented during the 2020 Fall Session of the International Coffee Council.

2. This report covers:

   I. Tariff measures on coffee in exporting countries
   II. Tariff measures on coffee in importing countries
   III. Non-tariff measures in exporting and importing countries
   IV. Conclusion

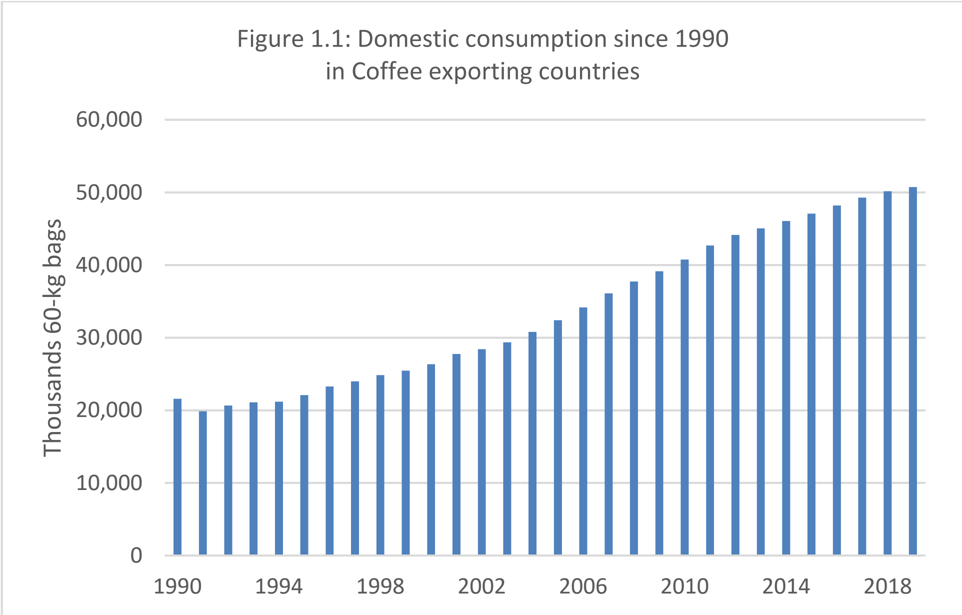
I. TARIFF MEASURES ON COFFEE IN EXPORTING COUNTRIES

I.1 Coffee trade and consumption in exporting countries

3. Although the vast majority of coffee exports are destined for non-producing countries, there is a vibrant trade both between exporting countries, as well as re-exports from importing countries to exporting countries.

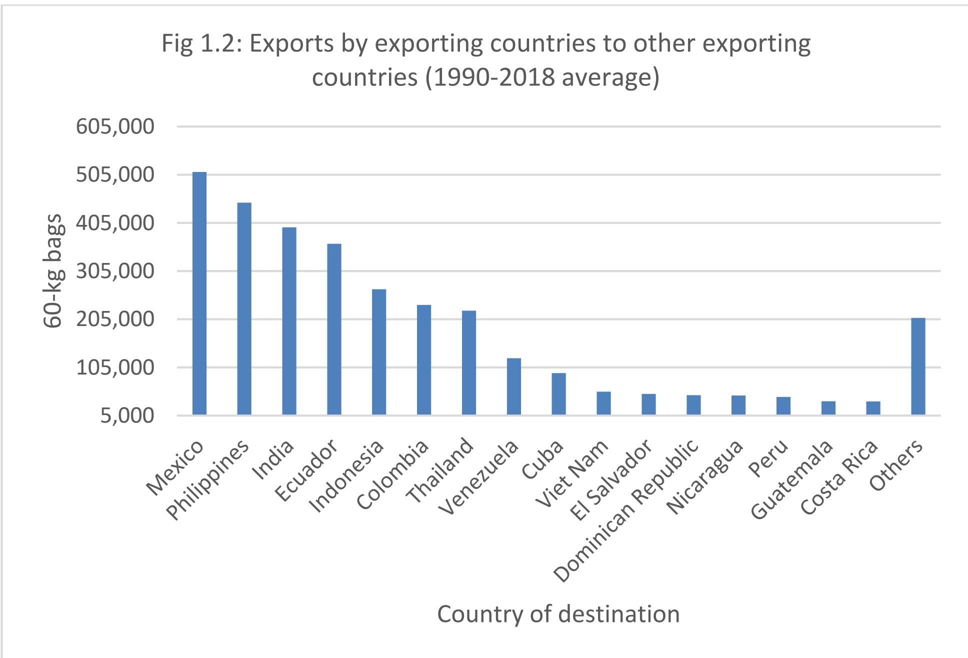
I.1.1 Domestic consumption

4. Domestic consumption in coffee-exporting countries has grown significantly from 21.6 million 60-kg bags in 1990 to over 50.6 million bags in 2019, representing an average annual growth rate of 3% (Figure 1.1). Moreover, low per capita consumption in almost all exporting countries indicates significant unexploited potential for increased domestic consumption. In many of these countries there is a rapid expansion of middle-class population adopting coffee drinking culture.



I.1.2 Coffee trade among exporting countries

5. Coffee trade among exporting countries has significantly increased over the last three decades. The total volume of coffee exports to other exporting countries was estimated at 9.8 million 60-kg bags in 2018 from 61,916 bags in 1990, representing an average annual growth rate of 19.8% over the last 28 years. Figure 2.2 shows average annual exports of all forms of coffee by exporting countries to other exporting countries for the period 1990 -2018. The most important destinations are Mexico, Philippines, India, Ecuador, Indonesia, Thailand and Colombia.

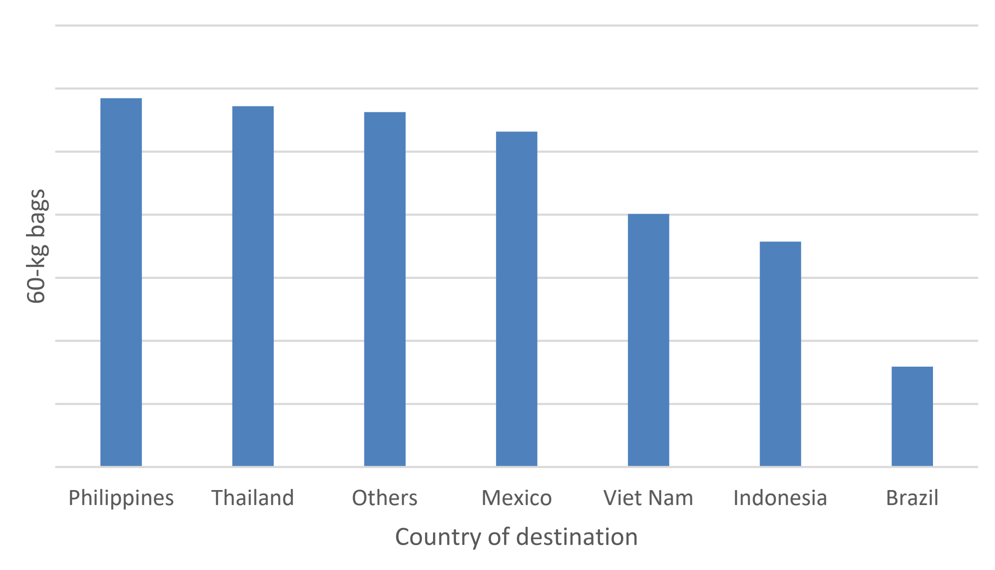


I.1.3 Re-exports by importing countries to exporting countries

6. As indicated above, while the largest share of coffee exported by producing countries goes to traditional or emerging markets, there is an increase in trade between exporting countries themselves, on one hand and, on the other, in re-exports from importing countries to exporting countries.

7. Importing countries re-export all forms of coffee to exporting countries (green, soluble and ground coffee). Re-exports of soluble coffee have accounted for 64.4% of total re-exports to producing countries on average in the last 10 years. This physical flow of coffee from importing countries to exporting countries was over 2.3 million bags in 2018. The average of the last 10 years was 1.6 million bags per year with Philippines, Thailand, Mexico, Vietnam, Indonesia and Brazil importing the largest volumes of coffee from importing countries (Figure 1.3).

Figure 1.3: Exports by Non-producing countries to producing countries (average 2009-2018)



8. Figures 1.2 and 1.3 show that the flow of exports both between exporting countries and importing countries and between exporting countries themselves represents significant volumes, which could be influenced by tariff and non-tariff measures as for traditional exporters/importers trade flows.

I.2 – Tariff measures in exporting countries

I.2.1 – Export taxes

9. For many years, levying taxes on exports of commodities was justified on the basis that the tax administration system in many exporting countries was inefficient while exports provided a good opportunity to raise taxes that are easy to collect. Although they are not in conflict with the provisions established under the World Trade Organization, export taxes can represent a significant risk of trade distortion. These export taxes are regarded as an obstacle to the growth of the market inasmuch as they inevitably impact the gap between farm gate and export prices, thereby making producers in that country less competitive on the world market compared to their peers in countries without such taxation.

10. Exports taxes can be divided into three main categories: a share of the value (ad valorem tax); a fixed amount per unit; and a progressive tax that increases or decreases according to changes in international price (Table 1).

Table 1: Taxes on coffee exports in exporting countries

Country	Green coffee exports	Roasted coffee exports	Soluble coffee exports
Angola	3% of FOB value	3% of FOB value	3% of FOB value
Cameroon	75 FCFA/kg	0%	0%
Costa Rica	1.50%	0%	0%
Côte d'Ivoire	76FCFA/kg	0%	0%
Ecuador	2% of FOB value	2% of FOB value	0%
Philippines	40%	40%	40%
Togo	levy of 60 CFA/kg	0%	0%

Sources: Coffee& Cocoa Council, Cote d'Ivoire (2020); CCFCC Togo (2020); ONCC Cameroon (2020); ICO, ICC-120-8; Philippine "Coffee strategy road map-2017-2022"

11. Available data show that only seven exporting countries continue to apply taxes on coffee exports, with the highest rate recorded by Philippines (40% on green, roasted and soluble coffee). The remaining countries are Angola (3% on the FOB value of green coffee exports), Costa Rica (1.5% on green coffee exports) and Ecuador, which applies an export tax of 2% on green and roasted coffee but none on soluble coffee. In Togo, a levy

of FCFA60/kg of green coffee exports is collected to support the coffee sector. Cameroon and Côte d'Ivoire levy fixed amounts of FCFA75/kg and FCFA76/kg, respectively, on exports of green coffee, while there are no taxes on exports of roasted or soluble coffee.

I.2.2 Import tariffs

12. Many developing countries still rely on tariff measures as a way of raising revenues to contribute to their national budget. Import tariffs are also used protect domestic enterprises from foreign competition. Exporting countries import all forms of coffee (green and processed) from other exporting countries as well as from importing countries. Table 2 provides information on tariffs applied on imports by selected exporting countries.

Table 2: Tariffs on imports of coffee in selected exporting countries

		Green coffee	Green coffee	Roasted coffee	Roasted coffee	Coffee	Taxes on
		not-decaffeinated	decaffeinated	not-decaffeinated	decaffeinated	substitutes**	consumption
	Product HS code	**0901-11**	**0901-12**	**0901-21-10**	**0901-22-00**	**0901-90**	**VAT (standard)**
	Country						
1	Angola (2019)*	50%	50%	50%	50%	50%	14%
2	Bolivia (2018)	15-20%	15%	15-40%	20%	20%	13%
3	Brazil (2019)	10%	10%	10%	10%	10%	17-25%
4	Burundi (2019)	25%	25%	25%	25%	25%	18%
5	Cameroon (2019)	5-30%	30%	30%	30%	30%	19.25%
6	Central African Rep. (2016)	5-30%	30%	30%	30%	30%	19%
7	Colombia (2019)	10%	10%	15%	15%	20%	19%
8	Congo, Dem. Rep. (2016)	5%	5%	20%	20%	20%	20%
9	Costa Rica (2019)	9-14%	14%	14%	14%	14%	13%
10	Côte d'Ivoire (2019)	10%	20%	20%	20%	20%	18%
11	Cuba (2019)	5-30%	10%	30%	10%	10%	20%
12	Ecuador (2018)	10-15%	15%	15-30%	30%	30%	12%
13	El Salvador (2018)	10-15%	15%	15%	15%	15%	13%
15	Gabon 92019)	5-30%	30%	30%	30%	30%	18%
16	Ghana (2019)	10%	10%	20%	20%	20%	3%
17	Guatemala (2012)	10-15%	15%	15%	15%	15%	12%
18	Honduras (2018)	10-15%	15%	15%	15%	15%	
19	India (2018)	100%	100%	100%	100%	100%	12-28%
20	Indonesia (2018)	5%	5%	20%	20%	5%	10%
21	Kenya (2019)	25%	25%	25%	25%	25%	16%
22	Liberia (2019)	10%	10%	20%	20%	20%	
23	Madagascar (2019)	20%	20%	20%	20%	20%	
24	Malawi (2017)	25%	25%	25%	25%	25%	
25	Mexico (2019)	20%	20%	45%	45%	45%	16%
26	Nepal (2018)	20%	20%	30%	30%	30%	13%
27	Nicaragua (2019)	10-15%	15%	15%	15%	15%	

		Green coffee not-decaffeinated	Green coffee decaffeinated	Roasted coffee not-decaffeinated	Roasted coffee decaffeinated	Coffee substitutes**	Taxes on consumption
	Product HS code	**0901-11**	**0901-12**	**0901-21-10**	**0901-22-00**	**0901-90**	**VAT (standard)**
	Country						
28	Panama (2019)	30%	30%	54%	54%	30%	7%
29	Papua New Guinea (2019)	25%	25%	25%	25%	25%	
30	Peru (2018)	11%	11%	6-11%	6%	6%	16%
31	Philippines (2019)	40%	40%	40%	40%	40%	12%
32	Rwanda (2019)	25%	25%	25%	25%	25%	
33	Sierra Leone (2019)	10%	10%	20%	20%	20%	
34	Tanzania (2019)	35%	35%	35%	35%	35%	18%
35	Thailand (2019)	90%	90%	90%	90%	90%	7%
37	Togo (2019)	10%	10%	20%	20%	20%	18%
38	Uganda (2019)	25%	25%	60%	60%	60%	18%
39	Venezuela (2016)	10%	10%	10%	10%	10%	15%
40	Viet Nam (2018)	15%	20%	30%	30%	30%	10%
41	Yemen (2016)	25%	25%	25%	25%	25%	2%
42	Zambia (2016)	25%	25%	25%	25%	25%	16%
43	Zimbabwe (2017)	40%	40%	40%	40%	40%	15%

Notes: * Date in brackets shows the year of the latest available information

** Coffee husks and skins; coffee substitutes containing coffee in any proportion

Sources: Information received by the ICO from Member countries

World Trade Organization

Regional Development Banks (AfDB, ADB, IADB)

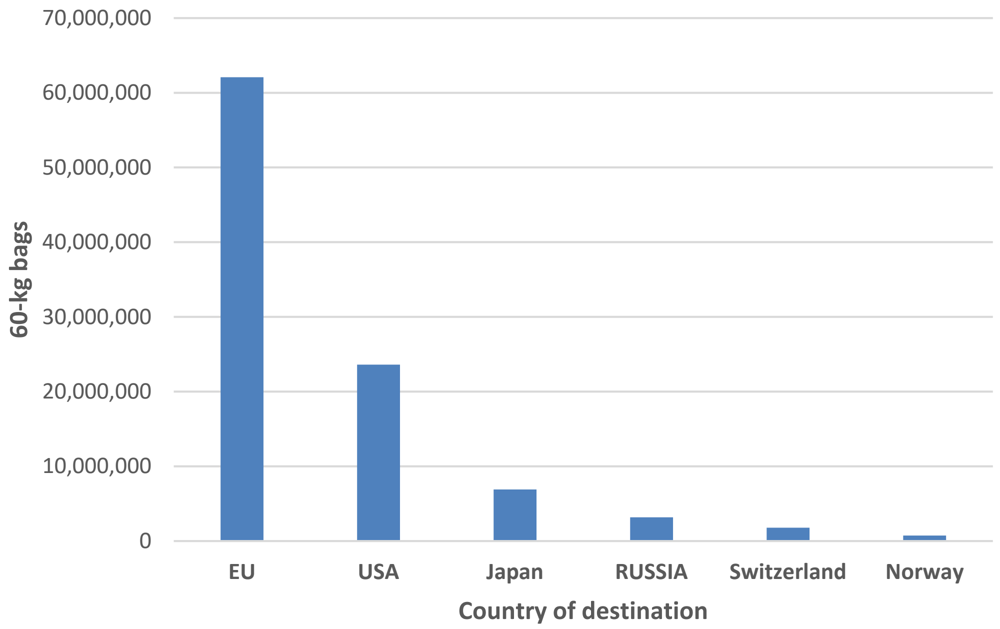
13. The highest tariffs are recorded in India (100% on imports of all forms of coffee), Thailand (90%) and Angola (50%), followed by Philippines, Haiti and Zimbabwe (40%). The highest rates on processed coffee are applied in Uganda (60%), Panama (54%) and Mexico (45%). Taxes on consumption (VAT) are also indicated in Table 2.

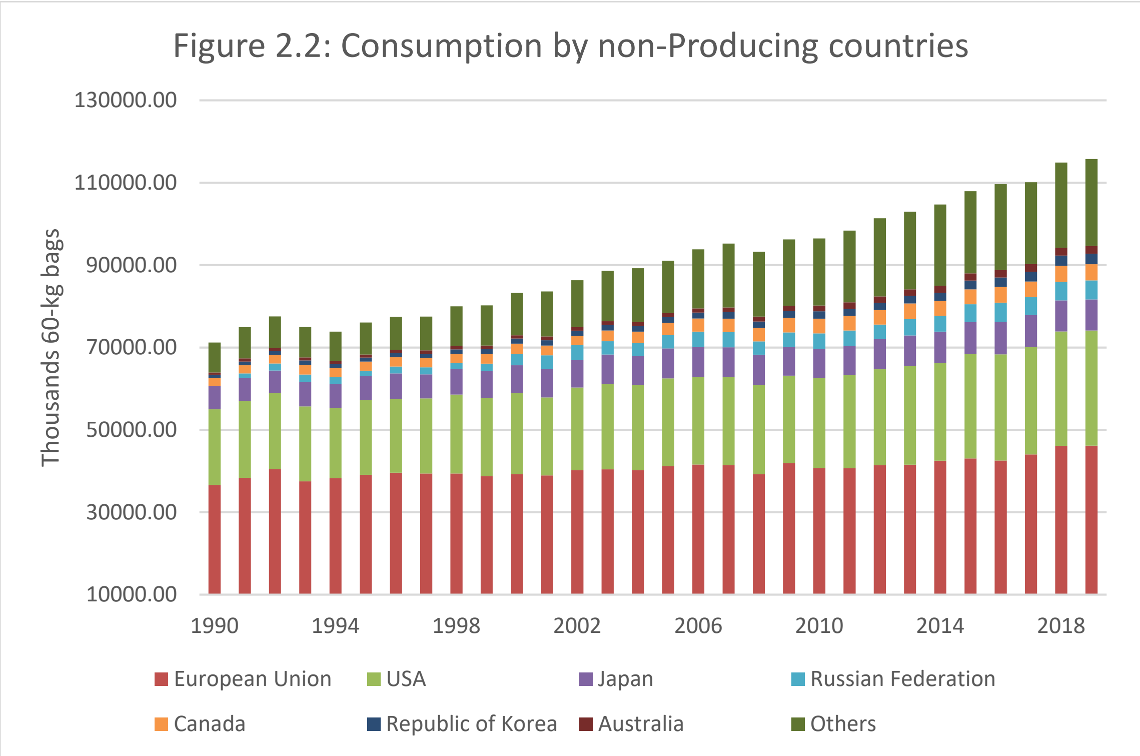
II. TARIFF MEASURES ON COFFEE IN IMPORTING COUNTRIES

II.1 COFFEE TRADE AND CONSUMPTION IN IMPORTING COUNTRIES

14. Figure 2.1 shows the dynamic of coffee imports by non-producing countries. Although all forms of coffee are imported, green coffee accounts for the largest proportion (72%) of coffee imports. The main importing countries are the European Union, USA and Japan, followed by the Russian Federation, Canada, Switzerland, South Korea, Malaysia, China (including the special administrative regions of Hong Kong and Macau), and Algeria. Figure 2.2 indicates that total consumption in importing countries has increased from 71.2 million bags in 1990 to over 115 million in 2019.

Figure 2.1: Imports by selected importing countries (1990-2019 average)





II.2 TARIFF MEASURES

15. The main export destinations of coffee-producing countries are the traditional importing markets, including the European Union, the United States of America, Japan, the Russian Federation and Canada as well as emerging markets like South Korea and Algeria. Tariff measures in these countries are crucial to the development of the coffee trade worldwide. Coffee is grouped into five classifications following the tariff code of the World Trade Organization (WTO). The principle of non-discrimination in international trade has been applied by all members by means of the imposition of a uniform tariff rate, known as the Most Favoured Nation (MFN) rate. However, there are exceptions to this principle since tariffs can be affected by regional and multilateral trade agreements.

16. Regional and multilateral agreements have proliferated in recent years, such that more than 489 regional trade agreements were recorded in 2019. These agreements play major positive role in providing a means of trade liberalization and economic integration, granting preferential treatment for imports from signatories of the agreements. The main regional agreements regulating trade between certain coffee-importing and -exporting countries include:

- The Agreement Establishing the African Continental Free Trade Agreement (AfCFTA) which entered into force on 30 May 2019 for the 24 countries that had deposited their instruments of ratification.
- Trade agreements between the European Union (EU) and the African, Caribbean and Pacific States (ACP States)
- The new United States-Mexico-Canada Agreement (USMCA)
- Agreements between Members of the Andean Community (Bolivia, Colombia, Ecuador, Peru and Venezuela) and the EU and, separately, with the USA[2].

17. In addition, the European Union and Mercosur states (Argentina, Brazil Paraguay and Uruguay) reached a political agreement on a trade deal on 28 June 2019 that is also expected to affect coffee trade.

18. Annex II presents a list of coffee-exporting Member countries covered by trade agreements and further concessions with the main export destinations.

19. Annex III shows import tariffs in importing member countries (Table 3a) and import tariffs in non-member countries (Table 3b).

20. The world's leading coffee-importing countries, including the European Union, USA, Japan and Canada, do not apply any import tariffs on green coffee imports.

21. The USA and Canada do not apply any tariff on imports of processed coffee (roasted and soluble), while the European Union applies escalating tariffs on imports from exporting countries that are not beneficiaries of regional Trade Agreements. It should be noted that Norway does not apply tariffs on imports of any form of coffee (Table 3a).

II.3 INDIRECT TAXES

22. Coffee consumption in importing countries is also subject to indirect taxes, particularly Value Added Tax (VAT) and excise duties. VAT varies from country to country, although some do offer exemptions. Annex 3 shows levels of indirect taxes (VAT, excise duty and other taxes) imposed on processed coffee in importing Member countries (Table 4a) and in non-member importing countries (Table 4b). In the EU, countries with

[2] *The Agreement between the Andean Community and the United States of America excludes Venezuela.*

excise duties on coffee are Belgium, Croatia, Denmark Germany, Latvia and Romania. Discussions are being held in some countries about their “coffee tax” and possible use towards fostering sustainable coffee production and consumption.

23. Moreover, it is worth noting that the measures being adopted by some countries affected by the covid-19 pandemic include a temporary reduction of VAT on certain products, including coffee. This may have a positive impact on consumption in coming months.

II.4 IMPACT ON COFFEE CONSUMPTION

24. Coffee consumption in importing countries is influenced by many factors, making it difficult to determine the impact of import tariffs or indirect taxes on consumption. For instance, the USA and Canada apply no tariffs on imports of all forms of coffee, but annual per capita consumption, at 5kg and 6.2 kg respectively, is relatively low compared to other mature markets. With regard to levels of VAT and excise duties, it should be noted that within the European Union, some countries apply a VAT 0% (Ireland) while others, like Hungary and Denmark, impose a relatively high level of VAT on coffee (27% and 25% respectively). The latter applies also an excise duty, yet its per capita consumption is over twice that of the United Kingdom, whose VAT rate is 20% and levies no excise duty. Statistical tests on the relationship between per capita consumption for selected importing countries and retail prices (used as a proxy for combined tariffs, VAT and excise duties) do not show a significant relationship. Possible relations between taxes on coffee and per capita consumption will be the subject of a separate study to be published at a later date.

III. NON-TARIFF MEASURES IN EXPORTING AND IMPORTING COUNTRIES

25. While tariff barriers have been progressively reduced in many countries, non-tariff measures continue to affect coffee trade worldwide. Non-tariff measures (NTM) are measures other than tariffs that restrict or distort trade. They are defined as policy measures other than ordinary customs tariffs that can potentially have an economic effect on international trade in goods, by changing quantities traded, or prices or both[3]. These measures refer to administrative and technical requirements taken by governments through notifications to the World Trade Organization[4]. The main categories of non-tariff measures are:

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[3] *UNCTAD “International classification of Non-tariff measures”, Version 2019.*

[4] *Some of non-tariff measures are not necessary covered by Agreements of the World Trade Organization.*

i) Quantitative restrictions
ii) Customs procedures and administrative practices
iii) Anti-dumping
iv) Sanitary & phytosanitary measures (SPS)
v) Technical barriers to trade (TBT)

26. To comply with the WTO rules and commitments, governments imposing these measures are required to improve transparency through notifications to all member countries. The main categories of non-tariff measures affecting the coffee trade are: customs procedures and administrative practices; sanitary and phytosanitary measures; and technical barriers to trade.

III.1 Customs procedures and administrative practices

27. Non-tariff measures (NTM) frequently encountered in exporting countries are changing trade policies and customs and administrative practices. In many coffee-exporting countries cumbersome bureaucracy and procedures constitute impediments to trade. For instance, coffee exporters in India are required to go through at least 12 separate bureaucratic procedures, which involve 10 separate government agencies. Customs clearance procedures also affect import and export flows and costs. In exporting countries, other non-tariff measures are foreign exchange restrictions or controls that can limit the facility to import.

III.2 Sanitary & phytosanitary measures (SPS)

28. By instituting SPS measures, governments establish policies on imports with the aim of achieving the following objectives:

i) To protect human or animal life from risks arising from additive, contaminants, toxins or disease-causing organisms in their food;
ii) To protect human life from plant-or animal-carried diseases
iii) To protect animal or plant life from pests, diseases, or disease-causing organisms
iv) To prevent or limit other damage to a country/territory from the entry, establishment or spread of pests

29. More specifically, SPS measures in coffee trade cover maximum residue levels of pesticides applicable to coffee (MRLs). In this respect, ICO Members are requested to report on the use of 32 chemicals applicable to coffee beans and roasted coffee[5]. The ICA 2007 makes provision for information on maximum residue limits.

30. Up to 31 December 2019, over 578 NTMs had been notified, including 47 already in force and 531 at the initiation phase. WTO members that impose non-tariff measures include exporting and importing Members of the ICO[6]. All these procedures are related to sanitary and phytosanitary measures. It should be noted that some sanitary and phytosanitary measures can also be considered as technical barriers to trade[7].

III.3 TECHNICAL BARRIERS TO TRADE (TBT)

31. Technical Barriers to Trade (TBT) cover technical regulations, standards, and conformity assessment procedures aiming to achieving legitimate policy objectives, such as the protection of human health and safety, or the protection of the environment. The TBT Agreement promotes compliance with international standards to facilitate trade. Companies in many developing countries are not familiar with these standards, which may affect their trade. These measures refer to technical requirements other than SPS measures. Product characteristics, such as processing and production methods, packaging and labelling, are among the technical requirements that are considered as technical barriers to trade. However, it appears that specific TBT notifications on the trade of coffee have not been recorded by the WTO over the last 20 years[8]. Nonetheless, China has raised Specific Trade Concerns over coffee products with its trade partners, particularly the European Union, Guatemala, Japan, Republic of Korea, Mexico, Singapore, Switzerland and the USA. The WTO does not include a specific reference to private voluntary standards in its TBT and SPS agreement, however, there is a vibrant debate among WTO members about their impact on trade and on sustainability. With regards to the coffee sector, there are 264 sector standards that are related to the coffee sector according to the ITC Standard Map (https://www.sustainabilitymap.org/standards_intro).

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[5] *ICO Report on Maximum Residue Limits, Document ICC-122-10 Rev.1.*

[6] *World Trade Organization, Integrated Trade Intelligence Portal, website: "https:/i-tip.wto.org/goods/forms/productViewNew.aspx"*

[7] *According to the OECD, Non-Tariff Measures are divided into two groups including "technical" measures, that cover regulations, standards, testing and certification, primarily sanitary and phytosanitary (SPS) and Technical Barriers to Trade (TBT) measures. The second group is called "non-technical" measures, which includes quantitative restrictions (quotas, non-automatic import licensing), price measures, forced logistics or distribution channels, and so on.*

[8] *WTO, Integrated Trade Intelligence Portal*

IV. CONCLUSION

32. Import tariffs appear generally high in coffee-exporting countries, constituting a serious impediment to increased trade flows among producing countries, thus reducing the available market for coffee as well as opportunities to expand activities along the coffee value chain. Given the relatively low per capita consumption in exporting countries, there is potential for the development of domestic markets, and reducing tariffs on imports could contribute to the promotion of domestic consumption. In addition, tariff reductions on green coffee imports could promote the local coffee industry by facilitating access to various origins for blending purposes.

33. With regards to importing countries it should be noted that, with very few exceptions, import tariffs have been reduced through various regional and multilateral trade agreements, such that many exporting countries are benefiting from this relatively free trade. However, these special tariff concessions granted to some exporting countries are becoming less and less important as the difference between general and preferential rates is narrowing.

34. The relationship between overall coffee consumption and import tariffs and indirect taxes in importing countries merits further investigation. The main destinations of coffee exports, particularly the European Union, USA and Japan, are mature markets where coffee consumption generally exhibits a low level of price elasticity. Moreover, tariff measures, which have undergone profound changes in recent years, are no longer a dominant factor in determining coffee consumption in importing countries. With the outbreak of covid-19 pandemic, some countries are considering reductions of taxes on coffee as measures to support coffee shops and the hospitality industry. These experiments may help shed light on this topic, which will be the subject of a future ICO study.

35. While the process of reducing tariffs on all forms of coffee is expected to continue, it is also necessary to avoid an increase in the application of non-tariff measures to coffee, even though they may be motivated by health and safety concerns, so as to avoid creating unnecessary technical barriers to imports of all forms of coffee originating from coffee-producing countries as well as from importing countries. Trade-related capacity building should be provided to enable exporting countries to comply with international standards and regulations as well as conformity assessment procedures that markets may be introduced on the coffee sector.

36. This interim report will be finalized by the collection of updates on tariff and non-tariff measures to be provided by ICO members, which will be complemented by additional research by the ICO Secretariat.

LIST OF ACRONYMS

ACP	African Caribbean and Pacific States
AGOA	African Growth and Opportunity Act
APTA	Asia-Pacific Trade Agreement
EFTA	European Free Trade Association
EPA	Economic Partnership Agreement
EBA	Everything But Arms
EU	European Union
FTA	Free Trade Agreement
FOB	Free On Board
GSP	Generalized System of Preference
GSP+	Generalized System of Preference Plus
ICA	International Coffee Agreement
LDC	Least-Developed Country
MFN	Most-Favoured Nation
MRLs	Maximum Residue Levels
NAFTA	North American Free Trade Agreement
NTB	Non-Tariff Barriers
NTM	Non-Tariff Measures
OECD	Organization for Economic Co-operation and Development
SADC	Southern African Development Community
SPS	Sanitary and Phytosanitary Measures
TBT	Technical Barriers to Trade
UNCTAD	United Nations Conference on Trade and Development
VAT	Value Added Tax
WTO	World Trade Organization

https://www.wto.org/english/thewto_e/glossary_e/glossary_e.htm

ANNEX II

EXPORTING COUNTRIES THAT ARE BENEFICIARIES OF TRADE AGREEMENTS WITH MAIN COFFEE EXPORT DESTINATIONS

EU-GSP Angola, Burundi, Central African Rep., Côte d'Ivoire, Congo Dem. Rep., Ethiopia, Ghana, India, Indonesia, Kenya, Liberia, Madagascar, Malawi, Nepal, Rwanda, Sierra Leone, Tanzania, Timor-Leste, Togo, Uganda, Viet Nam, Yemen, Zambia	**Japan - GSP** Angola, Bolivia, Burundi, Cameroon, Central African Rep., Colombia, Costa Rica, Côte d'Ivoire, Cuba, Congo Dem. Rep., Ecuador, Ethiopia, El Salvador, Ethiopia, Gabon, Ghana, Guatemala, Honduras, India, Indonesia, Kenya, Liberia, Madagascar, Malawi, Nepal, Nicaragua, Panama, Peru, Philippines, Rwanda, Sierra Leone, Tanzania, Timor-Leste, Togo, Uganda, Venezuela, Viet Nam, Yemen, Zambia, Zimbabwe
EU- GSP+ Bolivia, Philippines	
EU-EPA Côte d'Ivoire, Kenya	**Japan-EPA** Peru, Viet Nam
EU-LDC Angola, Burundi, Central African Rep., Congo DR, Ethiopia, Liberia, Madagascar, Malawi, Nepal, Rwanda, Sierra Leone, Tanzania, Timor-Leste, Togo, Uganda, Yemen, Zambia	**Japan - LDC** Angola, Burundi, Central African Rep., Congo DR, Ethiopia, Liberia, Madagascar, Malawi, Nepal, Rwanda, Sierra Leone, Tanzania, Timor-Leste, Togo, Uganda, Yemen, Zambia
EU- Bilateral Trade Agreement Cameroon, Colombia, Costa Rica, Ecuador, El Salvador, Ghana, Guatemala, Honduras, Madagascar, Mexico, Nicaragua, Panama, Papua New Guinea, Peru, Zimbabwe	**Japan-FTA** India, Indonesia, Mexico, Peru, Philippines, Thailand, Vietnam
EU- Country Specific Agreement Brazil, Costa Rica, Ecuador, Guatemala, Honduras, India, Madagascar, Nicaragua, Panama, Thailand	**Japan-ASEAN** Indonesia, Philippines, Thailand, Viet Nam
USA- GSP Angola, Bolivia, Brazil, Burundi, Cameroon, Central African Rep., Côte d'Ivoire, Congo DR, Ecuador, Ethiopia, Gabon, Ghana, India, Indonesia, Kenya, Liberia, Madagascar, Malawi, Nepal, Papua New Guinea, Philippines, Rwanda, Sierra Leone, Tanzania, Timor-Leste, Togo, Uganda, Venezuela, Yemen, Zambia, Zimbabwe	**USA – AGOA** Angola, Cameroon, Côte d'Ivoire, Congo DR, Ethiopia, Gabon, Ghana, Kenya, Liberia, Madagascar, Malawi, Rwanda, Sierra Leone, Tanzania, Togo, Uganda, Zambia
USA-LDC Angola, Burundi, Central African Rep., Congo DR, Ethiopia, Liberia, Madagascar, Malawi, Nepal, Rwanda, Sierra Leone, Tanzania, Timor-Leste, Togo, Uganda, Yemen, Zambia	**USA- Country-specific agreement** Nepal
USA-FTA Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru	

IMPORT TARIFFS IN IMPORTING COUNTRIES (TABLES 3A, 3B)

TABLE 3A
TAXES ON IMPORTS OF COFFEE BY IMPORTING MEMBER COUNTRIES

	0901.11.00 Green coffee not decaffeinated	0901.12.00 Green coffee decaffeinated	0901.21.00 Roasted coffee not decaffeinated	0901.22.00 Roasted coffee decaffeinated	0901.90.00* Coffee substitutes containing coffee
European Union (2019)	0%	8.3% GSP: 4.8% EBA, GSP+, EPA: 0%	7.5% GSP: 2.6% EBA, GSP+, EPA: 0%	9% GSP: 3.1% EBA, GSP+, EPA: 0%	11.5% GSP: 8% EBA, GSP+, EPA: 0%
Japan (2019)	0%	0%	12% GSP: 10% LDC: 0% General: 20%	12% GSP: 10% LDC: 0% General: 20%	12% GSP: 0% LDC: 0% General: 20%
Norway (2019)	0%	0%	0%	0%	0%
Russian Federation (2019)	0%	0%	8%, but not less than €0.16/kg	8%, but not less than €0.16/kg	5%
Switzerland (2019)	0%	0%	63 CHF/100kg gross EU, GSP, LDC, FTA: 0%	63 CHF/100kg gross EU, GSP, LDC, FTA: 0%	70 CHF/100kg gross EU, GSP, LDC, FTA: 0%
Tunisia (2016)	0%	0%	36%	36%	Not Roasted: 27% Roasted: 36%

Note: Date in brackets shows the year of the latest available information
* Coffee husks and skins; coffee substitutes containing coffee in any proportion.

TABLE 3B:
TAXES ON IMPORTS OF COFFEE BY IMPORTING NON-MEMBER COUNTRIES

	0901.11.00 Green coffee not decaffeinated	0901.12.00 Green coffee decaffeinated	0901.21.00 Roasted coffee not decaffeinated	0901.22.00 Roasted coffee decaffeinated	0901.90.00* Coffee substitutes containing coffee
Albania	0%	0%	10% EU: 0%	10% EU: 0%	10% EU: 0%
Algeria	30%	30%	30%	30%	30%
Argentina	10%	10%	35%	10%	10%
Armenia	10%	10%	10%	10%	10%
Australia	0%	0%	0%	0%	0%
Bosnia & Herzegovina	5% EU: 0%	5% EU: 0%	10% EU: 0%	10% EU: 0%	5% EU: 0%
Canada	0%	0%	0%	0%	0%
Chile	6% EU: 0%	6% EU: 0%	6% EU: 0%	6% EU: 0%	6% EU: 0%
China	8% General: 50%	8% General: 50%	15% General: 80%	15% General: 80%	30% General: 80%
Egypt	0%	0%	10% EU: 0%	10% EU: 0%	20% EU: 0%
Georgia	0%	0%	0%	0%	0%
Hong Kong	0%	0%	0%	0%	0%
Israel	0%	0%	0%	0%	0%
Jordan	20% EU: 0%	20% EU: 0%	30% EU: 0%	20% EU: 0%	20% EU: 0%
Korea, Rep. of	2% APTA: 1.2% EU, LDC: 0%	2% APTA: 1.2% EU: 0%	8% EU: 2.7%	8% EU: 2.7%	8% EU, LDC: 0%
Kosovo	10%	10%	10%	10%	10%

* Coffee husks and skins; coffee substitutes containing coffee in any proportion.

TABLE 3B (CONTD. 2)
TAXES ON IMPORTS OF COFFEE BY IMPORTING NON-MEMBER COUNTRIES

	0901.11.00 Green coffee not decaffeinated	0901.12.00 Green coffee decaffeinated	0901.21.00 Roasted coffee not decaffeinated	0901.22.00 Roasted coffee decaffeinated	0901.90.90* Coffee substitutes containing coffee
Lebanon	5% EU: 0%	5% EU: 0%	5% EU: 0%	5% EU: 0%	5% EU: 0%
Macedonia	5% EU: 0%	5% EU: 0%	15% EU: 0%	15% EU: 0%	30% EU: 0%
Malaysia	0%	0%	0%	0%	0%
Montenegro	3% EU: 0%	3% EU: 0%	15% EU: 0%	15% EU: 0%	15% EU: 0%
Morocco	10% EU: 0%	10% EU: 0%	25% EU: 20%	25% EU: 20%	25% EU: 20%
New Zealand	0%	0%	5%	5%	5%
Saudi Arabia	0%	0%	0%	0%	0%
Serbia	3% EU: 0%	3% EU: 0%	15% EU: 6%	15% EU: 6%	15% EU: 0%
Singapore	0%	0%	0%	0%	0%
South Africa	0%	0%	6.0 cents/kg EU, EFTA, SADC : 0%	6.0 cents/kg EU, EFTA, SADC : 0%	10.0 cents/kg EU, EFTA, SADC : 0%
Syria	1%	3%	15%	15%	20%
Taiwan	0% General: 10%	0% General: 10%	0% General: 7.5%	0% General: 15%	0% General: 10%
Turkey	13% EU, LDC: 11%	13% EU, LDC: 11%	13% EU, LDC: 11%	13% EU, LDC: 11%	13% EU, LDC: 11%
Ukraine	0%	0%	5%	5%	20%
USA	0%	0%	0%	0%	1.5¢/kg LDC, AGOA, APTA, NAFTA: 0% General: 6.6¢/kg

* Coffee husks and skins; coffee substitutes containing coffee in any proportion.

INDIRECT TARIFFS IN IMPORTING COUNTRIES (TABLES 4A AND 4B)

TABLE 4A
DOMESTIC AND EXCISE TAXES ON COFFEE BY IMPORTING MEMBER COUNTRIES

	VAT			
	Standard rate	Roasted coffee not decaffeinated [0901.21.00]	Soluble coffee [2101.11.00]	Excise duty & other taxes
Importing Members				
European Union				
Austria	20%	10%	20%	
Belgium	21%	6%	6%	Green: €0.1983/kg net weight Roasted: €0.2479/kg net weight Soluble: €0.6941/kg dry matter
Bulgaria	20%	20%	20%	
Croatia	25%	25%	25%	Green: HRK 5/kg Roasted: HRK 6/kg Soluble: HRK 20/kg
Cyprus	19%	5%	5%	
Czech Republic	21%	15%	21%	
Denmark	25%	25%	25%	Green: DKK 5.95/kg Roasted: DKK 7.14/kg Coffee extracts: DKK 15.47/kg
Estonia	20%	20%	20%	
Finland	24%	14%	14%	
France	20%	5.5%	5.5%	
Germany	19%	7%	7%	Roasted: €2.19/kg Soluble: €4.78/kg
Greece	23%	13%	13%	
Hungary	27%	27%	27%	
Ireland	23%	0%	0%	
Italy	22%	22%	10%	
Latvia	21%	21%	21%	Pure coffee €142.29/100 kg
Lithuania	21%	21%	21%	
Luxembourg	15%	3%	3%	
Malta	18%	0%	0%	
Netherlands	21%	6%	6%	
Poland	23%	23%	23%	
Portugal	23%	23%	23%	
Romania	24%	24%	24%	Green: €153/tonne Roasted: €225/tonne Soluble: €900/tonne
Slovakia	20%	20%	20%	
Slovenia	24%	20%	9.5%	
Spain	21%	10%	10%	
Sweden	25%	12%	12%	
Japan	8%	8%	8%	
Norway	25%	15%	15%	
Switzerland	8%	2.5%	2.5%	
Tunisia	18%	18%	18%	Consumption tax of 25%
United Kingdom	20%	0%	0%	

TABLE 4B:
DOMESTIC AND EXCISE TAXES ON COFFEE BY IMPORTING NON-MEMBER COUNTRIES

	VAT			
	Standard rate	Roasted coffee not decaffeinated [0901.21.00]	Soluble coffee [2101.11.00]	Excise duty & other taxes
Other importing countries				
Albania	20%	20%	20%	Green: 30 ALL/kg Roasted: 60 ALL/kg Soluble: 250 ALL/kg
Algeria	17%	17%	17%	Consumption tax of 10%
Argentina	21%	21%	21%	Statistical fee of 0.5% duty Proportional tax on profit of 6% duty
Armenia	20%	20%	20%	Customs clearance fee of 3500 AMD
Australia	10%	10%	10%	
Bosnia & Herzegovina	17%	17%	17%	Green: 1.5 BAM/kg Roasted: 3.0 BAM/kg Soluble: 3.5 BAM/kg
Canada	Local Province Sales Tax plus 5% Federal Sales Tax			
Chile	19%	19%	19%	
China	17%, with many variations	17%	17%	
Egypt	10%	5%	10%	
Georgia	18%	18%	18%	Customs clearance fee of €5-60/declaration
Hong Kong	No sales tax			
Israel	18%	18%	18%	
Jordan	16%	16%	16%	Service fee of 2%
Korea, Rep. of	10%	10%	10%	
Kosovo	16%	16%	16%	
Lebanon	10%	10%	10%	Customs clearance fee of 50,000 LBP
Macedonia	18%	18%	5%	
Malaysia	6%	0%	5%	
Montenegro	19%	19%	19%	Excise tax of 20%
Morocco	20%	20%	20%	Parafiscal tax of 0.25% duty
New Zealand	15%	15%	15%	Import entry transaction fee of 29.26 NZD/declaration
Russian Federation	18%	18%	18%	
Saudi Arabia	No sales tax			
Serbia	20%	20%	20%	Green: 81.76 RSD/kg Roasted: 102.20 RSD/kg Soluble: 306.60 RSD/kg
Singapore	7%	7%	7%	
South Africa	14%	14%	14%	
Syria	10%	3%	5%	
Taiwan	5%	5%	5%	Trade promotion service fee of 0.04% dutiable value
Turkey	18%	8%		8%
Ukraine	20%	20%	20%	
USA	Varies by state			

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